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What is the value of official statistics and how do we communicate that value?

How do we define the value and benefits of official statistics in an increasingly competitive data industry?

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Summary

The paper introduces the concept of value proposition for official statistics. The purpose of defining a value proposition would be to better communicate, and gain recognition for the value that official statistics deliver to governments and the broader community. As such, a value proposition could be helpful in maintaining support for national statistical offices in challenging times, as well as be a tool that can help statisticians to grow their business.

The paper is presented for discussion to the Conference of European Statisticians seminar on "What is the value of official statistics and how do we communicate that value?"

* This document was submitted late due to the late submission from the Australian Bureau of Statistics.

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I. Background and context

1. The mission of the Australian Bureau of Statistics (ABS) is to assist and encourage informed decision making, research and discussion within governments and the community, by leading a high quality, objective and responsive national statistical service. This mission statement, which emphasises the key role that high quality official statistics play in public decision making, draws on the legislated functions of the ABS as set out in the Australian Bureau of Statistics Act. These functions are to:

(a) Operate as the central statistical authority for the Australian Government and provide services for the state governments;

(b) Collect, compile, analyse and disseminate statistics and related information;

(c) Coordinate the statistical operations of official bodies;

(d) Develop standards for statistics and ensure they are used;

(e) Give advice and assistance to official bodies on the production and use of statistics;

(f) Liaise with international organisations on statistical issues.

2. The ABS has a set of values that underpins its work as Australia's national statistical agency. These values are integrity, trust of providers, relevance, professionalism, access for all and service. These values are drawn from the United Nations Fundamental Principles of Official Statistics.

3. It is considered that there are two key foundations of the ABS brand, integrity and quality. In regard to integrity, as a statutory authority that is headed by an independent Australian Statistician, the ABS has been set apart from government to provide statistics 'without fear or favour'. Because of this, users can be confident in the credibility of the statistics, and public policy discussions can be based on the merits of ideas and not on questioning the underlying evidence.

4. In regard to quality, the ABS, like most national statistical agencies, has significant powers to collect statistical information, which have been provided to it by the Australian Parliament. These powers, although rarely used to their fullest extent, are critical to the ABS being able to produce statistics of sufficient quality to inform critical decisions. However, these powers have not been granted lightly by Parliament. Parliament has also imposed strict obligations on the ABS to maintain the confidentiality of information provided to it, so that the community can trust in the organisation and report accurately. Taken together, the powers of collection and the supporting confidentiality obligations ensure that the ABS is able to produce statistics of a quality that cannot be matched by any other organisation in Australia, public or private.

5. The public good nature of official statistics, and the importance of quality and integrity as reflected in the ABS values, are well understood by those working in official statistics; indeed they are often promoted passionately and any challenge to them vigorously defended. However, 'outsiders' who are less steeped in the traditions of official statistics sometimes struggle to understand their importance. This can be of critical concern if these 'outsiders' play a key role in determining the funding of the national statistical office – either through appropriation or user funding, or if they are key users of the national statistical offices outputs; or if they are influential in determining government policies that impact on an national statistical office. While the independence of the national statistical office provides some protection to decisions that may affect it from having negative

impacts, the reality is that national statistical offices cannot fully separate themselves from the governments that create them and are generally critically dependent on governments for funding. Even legislative protections are ultimately provided at the pleasure of the Parliament and an ongoing appreciation of the essential characteristics of official statistics by Parliament is essential for maintaining these protections.

6. Even if a statistical agency is not under threat from budget process or otherwise, a lack of understanding of the value that it provides can mean that opportunities to broaden its activities to better fulfil its mission may be missed. There is not a statistical agency that, if it had additional resources, could not usefully use these resources to expand its work program to provide a better evidence base for public decision making. This situation is exacerbated if there are other potential providers – either public or private – of statistics. Of course, there is legitimate role for these providers but if resources are being allocated to them because there is limited understanding of the true value that is provided by the national statistical office then there will be a less-than-optimal use of resources. Decisions to allocate resources are taken on the basis of what is perceived, which may or may not accord with reality. It is critical that national statistical offices actively work to close any gap that might exist between perception and reality that have a detrimental effect on the national statistical office's ability to win its 'right' share of business.

7. While the ABS has a long history of support from Australian governments and the broader community, we are finding that in the current environment we need to work harder to convince critical stakeholders of our value. Technological advances have eroded the 'natural monopoly' that has been traditionally enjoyed by national statistical offices by making it easier for others to produce statistics. An ever increasing demand for information, both in terms of breadth and depth, to inform increasingly complicated policy issues, a desire for more and more timely information, and a strong focus on costs have placed national statistical offices such as the ABS under increasing pressure, with decision makers more likely to consider alternatives. Common complaints against the ABS are that we are 'too expensive', or 'too slow', or 'too fixated on methodological purity at the expense of responsiveness', or that we 'lock-up too much information'. While a national statistical agency must ensure that its activities are as timely and cost-effective as they can be, that quality is sufficient for the purpose to which the statistics are used, and that data are made as widely available as possible while still respecting confidentiality, comments such as the ones above more often than not reflect a lack of appreciation of the value of official statistics produced by a national statistical agency.

8. If it is not careful, a national statistical office can react to such criticisms in a way that can appear defensive or precious to 'outsiders'. One way that this can occur is by using language that resonates with us, but comes across as not being in tune with the needs of the 'real world'. Our values are critically important, but by simply reciting our values as a justification for the way we do business can often alienate critical stakeholders, including those who can influence the budgets of a national statistical office or the environment in which we operate. At the ABS, we have decided that we need to be better in explaining how our values benefit governments and the broader community, rather than the values being seen as something that are of benefit to the ABS itself. In doing so, we need to remember that our values are means to an end – better decision making through better official statistics – and that this means being better in articulating why they should matter outside the ABS. In other words, we need to better bridge our internal view of the ABS and what is important to us, and what the external world is after. And this needs to be backed up by demonstrable, concrete, action so that our words are not simply hollow.

II. Towards a value proposition

9. With this context in mind, there has been discussion in various ABS senior executive forums about developing an ABS 'value proposition'. The purpose of such a value proposition would be to better communicate, and gain recognition for, the value that we deliver to Australian governments and the broader community. As such, a value proposition could be helpful in maintaining support for the ABS in challenging times, as well as be a tool that can help us to grow our business.

10. In the past twelve months, the idea of a value proposition has been explored within the Population, Labour and Social Statistics (PLaSS) Group in the ABS. The objective of this work has been to develop a value proposition for PLaSS, with the view that this work could be of benefit to the development of a broader ABS value proposition. There has been extensive discussion within the Group about what form the value proposition should take, and what the content should be. While further work is needed to complete the PLaSS value proposition, it has been agreed that it would be comprised of the value proposition itself, which would be supported by a service offering and examples of the value proposition in action.

11. The heart of the PLaSS value proposition is a set of statements that describes PLaSS's 'favourable points of difference', which are those areas of advantage that set us apart from our competitors. The underlying 'value creation logic' is that we distinguish ourselves from others by ensuring trust in our relationship with our clients that allows them to rely on the quality and integrity of our products and services for effective decision making. The set of statements has two columns. The first contains assertions about the nature of our competitive advantage. The second column describes the benefit that our clients receive from working with PLaSS. This two-way approach is considered important as it provides a bridge between how we typically think of ourselves and how we can explain this in a way that resonates with our clients. Appendix A provides the near final version of the value proposition.

12. We are still working on the supporting components – the service offering and the examples of the value proposition in action. The service offering will provide a high-level overview of the types of products and services that PLaSS offers. It will encourage clients to not only think about us in terms of the statistics that we produce, or could produce, but how we can add value through the other services that we provide, or could provide. A framework that could be used to present the service offering is the legislated functions of the ABS as set out in the ABS Act. The examples of the value proposition in action will be used to demonstrate to clients that the assertions that are made in the value proposition are in fact supported by evidence. We are in the process of gathering relevant examples.

13. We have also considered how we would actually use the value proposition and the supporting components. At minimum, these would be used by the PLaSS Executive and managers in their discussions with clients, enabling us to speak with confidence and consistency about what we offer and presenting this in a way that resonates with clients. We also want to consider turning the value proposition and the service offering into documents that could be provided to clients (and made available more generally on the ABS website) so that our value proposition endures in their minds.

14. In developing the PLaSS value proposition, we have discovered that the journey is almost as important as the destination. We have deliberately involved a wide group of staff in the work. There has been extensive discussion about how we add value in our work. This has led to a strong coalescence around the things that are important, and a sheared understanding of how we can communicate this in a way that better resonates with our stakeholders. Although the work on developing the value proposition has not been

completed, we are already seeing our staff engaging more confidently with clients with a consistent approach. Because we are actively seeking to explain our position in a way that better resonates with our clients, we are finding that our ability to influence their thinking is increasing and that we are getting better 'buy-in' from them. We are also hearing that we are less 'stuck in our ways' – even though our underlying values have not changed – and more willing to listen.

15. The PLaSS work has been put forward as a starting point for developing a broader ABS value proposition. This has been accepted by the ABS senior executive, and work will shortly commence. We are aiming to have the work completed by the middle of 2014. We are also intending to expose this work to the Australian Statistical Advisory Council to seek its feedback.

Annex

Draft value proposition of the population, labour and social statistics

Our purpose

We exist to achieve better lives for Australians, through effective social policy and decisions that are based on statistics that are timely, relevant and cost effective, underpinned by the ABS's brand of integrity and quality

Our vision

We aspire to be the pre-eminent leader of a comprehensive set of statistics on the well-being of Australians, delivering information people need when they need it

Our value proposition	What this means for our clients
We are independent.	Our services can be used with the confidence that their integrity will not be challenged.
We are trusted, authoritative and apolitical	Confident decisions can be made about the things that are important to Australians.
Our work is of high quality	Clients can have an individual relationship with us that meets their particular needs.
Our statistics are relevant, reliable, consistent, comparable	We can inform on the breadth and depth of the lives and living conditions of Australians.
Our services are customisable	We provide the big picture for Australia, and we also can break it down into areas and populations of interest.
We are flexible, responsive and supportive	We can deal with complex, multidimensional, inter-temporal and emerging societal concerns
We have expertise across a comprehensive range of statistical subjects	Our statistics are accurate because they are compiled using provider data that is of high quality.
We are national, and scalable	We have access to data that is not available to others.
We can inform on outcomes, outputs and inputs in an integrated way	We do not lock things up from users. Users can get what they need, and so can their stakeholders.
We are trusted by our providers, because we protect the confidentiality of their information	Users can be assured that ABS services are based on world's best practice, and that nothing is hidden.